



Report to the Auburn City Council

Action Item	4
Agenda Item No.	
City Manager's Approval	

To: Honorable Mayor and City Council Members
From: Robert Richardson, City Manager
Andy Heath, Administrative Services Director
Date: August 8, 2011
Subject: Implementation of the Last, Best and Final Offer with Stationary Engineers, Local 39

The Issue

Shall the City Council implement the City's Last, Best and Final Offer to the Stationary Engineers, Local 39?

Conclusion and Recommendations

It is recommended that the City Council, by **RESOLUTION**, implement the City's Last, Best and Final Offer to the Stationary Engineers, Local 39.

Background

Since March 31, 2011 the City has been conducting negotiations with the Stationary Engineers, Local 39 (the Union) to address the City's fiscal constraints. On July 7, 2011, the City and the Union reached a tentative agreement resolving all outstanding proposals, which was ultimately rejected by a 7-5 vote of the Union membership on July 12, 2011.

On July 19, 2011, the City and the Union met to discuss impasse, during which no alternative proposals were offered by the Union and, subsequently, the City issued its Last Best and Final Offer consisting of all items the parties have previously tentatively agreed upon.

As a means to maintain harmonious relations with the Union, the City has agreed to consider any non-binding counterproposal fully ratified by the Union membership up through Monday, August 8, 2011 at 12:00 Noon. If any such proposal is received, staff will circulate it to you immediately and provide analysis of that proposal orally in open and/or closed session on August 8, 2011.

Due to the existing fiscal limitations of the City and the impasse, it is recommended the City Council implement the City's Last, Best and Final Offer as referenced in its Last, Best and Final Offer to the union and as reflected in the tentatively agreed MOU.

Fiscal Impact

Implementation of the Last, Best and Final Offer would result in a savings of \$70,473 to the City's General Fund, \$19,224 to the City's Sewer Fund, and \$7,048 to the City's Transit Fund, all of which have been considered in the operating budget adopted for Fiscal Year 2011-12.

Attachments: - Last, Best and Final Offer

The Memorandum of Agreement tentatively approved by the City and the Union is available in the Administrative Services Department

CITY OF AUBURN

LAST BEST AND FINAL OFFER

DATE JULY 19, 2011

Term: July 1, 2011 – June 30, 2012
Proposed Effective Date: August 1, 2011

Management Proposals

• M – 1	T/A	07/07/2011	Attached
• M – 2	Withdrawn		
• M – 3	T/A	05/10/2011	Attached
• M – 4	Withdrawn		
• M – 5	Withdrawn		
• M – 6	Withdrawn		

IUOE, Local 39 Proposals:

• U – 1	Withdrawn		
• U – 2	T/A	07/07/2011	Attached
• U – 3	Withdrawn		
• U – 4	Withdrawn		
• U – 5	Withdrawn		
• U – 6	Withdrawn		
• U – 7	T/A	07/07/2011	Attached
• U – 8	T/A	07/07/2011	Attached
• U – 9	T/A	07/07/2011	Attached
• U – 10	T/A	07/07/2011	Attached

Other Items:

- In exchange for a letter of retirement/resignation, the City agrees to mitigate the impact of layoff for Linda Bauer by paying an amount equal to the employee only medical for 13 months in order to allow Linda to reach Medicare eligibility to ensure that she has medical coverage.

The parties agree that every layoff is a unique situation and that the meet and confer process required by the Meyers Milias Brown Act is controlling and thus no precedent shall result from this agreement.

- Due to delayed implementation, it is now necessary to capture the savings required for fiscal year 2011/2012 over 11 months instead of 12 months. Thus, the required savings for the period of July 1, 2011 to August 1, 2011 will be spread over the months of August and September as an additional salary reduction in addition to the agreed upon Cost Savings Plan.

**City of Auburn
Local 39
Cost Savings Plan Proposal
Prepared: June 28, 2011
Management #1B**

The City's operating budget is entirely dependent upon the economic conditions that prevail in the community and legislative actions of the State of California. Given the continuing impact of the recent severe economic recession and its unpredictable impact on the City's operating budget, the City proposes to implement a 10% salary and salary impacted cost reduction outlined below effective August 1, 2011:

1. Employee assumes payment of 7% employee portion of CalPERS Retirement contribution currently funded by the City of Auburn;
2. Employee base salary shall be reduced by 5.419%; and
3. In exchange for base salary reduction, employee shall receive an equivalent share of "Mandatory Time Off (MTO)" credits which will carry no cash value, but may be used any time during the employee's employment with the City consistent with existing accrued time off procedures. Such equivalent share shall be 4.15 hours per pay period.

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RESOLUTION NO. 11-
RESOLUTION OF AUBURN CITY COUNCIL APPROVING TERMS AND
CONDITIONS OF EMPLOYMENT FOR EMPLOYEES OF THE STATIONARY
ENGINEERS, LOCAL 39

WHEREAS, the Stationary Engineers, Local 39 (Local 39) is a recognized
employee organization; and

WHEREAS, the Memorandum of Understanding (MOU) between the City and
Local 39 expired June 30, 2011; and

WHEREAS, the City and Local 39 began meeting and conferring over the
terms of the successor MOU in March 2011 in accordance with Government
Code Section 3500 et seq., and

WHEREAS, the City and Local 39 were unable to reach agreement on the
terms for a successor MOU through the Impasse procedure prescribed by the
City's Employee Relations Policy; and

WHEREAS, the City has satisfied its obligation under Government Code
Section 3505 and the City Employee Relations Policy; and

WHEREAS, the City Council has the authority under California Statute (G.C.
3505.4) and the City's Employee Relations Policy to unilaterally implement the
terms and conditions of its last, best and final offer, as presented to Local 39
during negotiations; and

1 WHEREAS, the City Manager recommends that the City Council exercise its
2 authority to implement its last, best and final offer upon employees
3 represented by Local 39;

4
5 NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of
6 Auburn does hereby authorizes the City Manager to unilaterally implement the
7 terms reflected in the City's last, best and final offer presented during
8 negotiations to Local 39, which are incorporated by reference herein and are
9 on file with the City Clerk.

10
11 DATED: AUGUST 8, 2011

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13 _____
William W. Kirby, MD, Mayor

14 ATTEST:

15 _____
Joseph G. R. Labrie, City Clerk

16
17 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
18 that the foregoing resolution was duly passed at a regular meeting of the City
19 Council of the City of Auburn held on the 8th day of August 2011 by the
20 following vote on roll call:

21 Ayes:

22 Noes:

23 Absent:

24 _____
Joseph G. R. Labrie, City Clerk